

Credit Union Department



NEWSLETTER

No. 10-04

www.tcu.state.tx.us

October 31, 2004

Results of Credit Union Commission Meeting

The Credit Union Commission held a meeting on Friday, October 22, 2004. At the meeting the Commission took the following actions related to the Texas Administrative Code (TAC).

Adopted the following interpretations:

- ❑ [Sections 153.91-153.92 and 153.94-153.96](#) - Home Equity Lending Cure Provisions;

Adopted amendments to the following sections:

- ❑ **91.101** – Definitions and Interpretations
- ❑ **91.201** – Incorporation Procedures
- ❑ **91.302** – Election or Other Vote By Electronic Device, Absentee Ballot, or Mail Ballot
- ❑ **91.802** – Other Investments

Approved for publication and comment in the *Texas Register* proposed amendments to the following sections:

- ❑ 91.403 – [Federal Parity Debt Cancellation Products](#)
- ❑ 91.709 – [Member Business Loans](#)
- ❑ 91.804 – [Custody and Safekeeping](#)

Approved for publication and comment in the *Texas Register* the following proposed New Interpretations:

- ❑ 152.9, 11 and 13 – [Home Improvement Lending](#)
- ❑ 153.93 – [Methods of Notification](#)

[Click on the title to view the proposed amendments.](#)

Tips for a Successful FOM Expansion Application

Several misconceptions have surfaced with Field of Membership (FOM) expansion applications which have caused some expansions to be delayed, modified or denied. Here are some tips to help you file an application that will result in approval:

- The Commissioner can only grant FOM expansions that comply with TAC 91.301 and 91.101. Please pay particular attention to the definition of “local service area” in 91.301. This is an area that is within a *reasonable* proximity to the credit union’s office, allowing members to be *realistically* served from that office.
- The Texas Credit Union League’s Shared Service Centers do not qualify as an office under 91.101(21) because individual credit unions do not have an ownership interest and it does not meet the definition under 91.101(30).

- A wholly owned ATM does constitute an office for FOM expansion purposes; however, it will not be granted the same size geographic area as a branch.
- The Department cannot consider any potential new branches when evaluating an application unless we have specific information as to the location and timeline for opening these branches within 15 months from the date of the application. Expansions based solely on a proposed branch that meets all other criteria will be granted on a conditional basis and the credit union will not be able to serve the expanded membership until the branch is open.
- All applications must include a budget addressing the impact of the potential growth for three years, regardless of whether it will have a significant impact on the overall budget of the credit union.

**Social Security Number Confidentiality
Laws Compliance Reminder**

The Commissioner did not receive any requests for a hearing to obtain additional time to comply with the 78th Texas Legislature's revised Subchapter D, Chapter 35, Business & Commerce Code Section 35.58, Confidentiality of Social Security Number as set forth in Senate Bills 473 and 611 ("SSN Law"). Therefore, all credit unions must be in compliance with the SSN Law by January 1, 2005. As a reminder, the SSN Law generally prohibits a business from displaying a person's social security number on a card or other device required to access a product or service. The law also prohibits a business from printing the social security number on most materials that are sent by mail, unless state or federal law requires that the number be included in the material. Credit unions currently using the social security number as the member's account number, or otherwise printing the number on information mailed to the members, must ensure that appropriate action is taken to comply with the new law.

Holiday Schedule for TCUD

The Department's office will be closed on **November 11, 2004**, in observance of Veteran's Day and **November 25-26, 2004** in observance of Thanksgiving.

Newsletter Notice

As required by statute, each state agency must obtain an annual confirmation from individuals receiving monthly publications at no charge. Specifically, the law requires that a notice be placed in three consecutive issues of the publication, and that anyone desiring to continue to receive the publication must so indicate in writing. Please submit the enclosed form to our office if you desire to continue to receive the Department's newsletter each month. Faxes are welcomed ([Click here for the form](#)).

Director Applications

As credit unions begin preparation for annual meetings and elections, the officials are reminded that persons who are nominated for, or are seeking re-election to office must complete a written Director Application and Agreement to Serve. Rule 91.501(b) provides minimum qualification requirements that must be met. The application of elected directors must be incorporated into the minutes of the first board meeting following the election and maintained at the credit union office for review by the examiners. Incumbent board members running for re-election must complete an application as well. If a person nominated from the floor or by petition is elected to the board, the application must be completed within 30 days. Any person appointed to the board to fill an unexpired term of another board member must also complete an application within 30 days of the appointment. For your convenience, the form is available on the TCUD website (<http://www.t cud.state.tx.us/applications/index.html>.)

**Publishing Notice of Applications in the
Texas Register**

In order to meet the submission deadlines for the applicable issues of the Texas Register, it is necessary for the Department to establish the schedule included below. Completed applications received after the deadline for the month cannot be published until the following month.

Published In	Deadline for Receipt
November, 2004	Friday, November 12
December, 2004	Friday, December 10

Applications Approved

Applications approved since September 30, 2004 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
Field of Membership Change(s) Approved:	
Dresser Central Credit Union (Houston) (Amended) Persons who live in, work in, attend school in, or worship in, and businesses located within a 10-mile radius of Dresser Central Credit Union's offices located at: 2607 Gessner, Houston, TX 77080 and 5253 Hollister Road, Houston, TX 77040.	See Newsletter No. 08-04
Community Service Credit Union (Huntsville)	See Newsletter No. 09-04
LCRA Credit Union (Austin) (#4)	See Newsletter No. 09-04
LCRA Credit Union (Austin) (#6)	See Newsletter No. 09-04
GPS Community Credit Union (Galena Park) (#1)	See Newsletter No. 09-04
GPS Community Credit Union (Galena Park) (#2)	See Newsletter No. 09-04
GPS Community Credit Union (Galena Park) (#4)	See Newsletter No. 09-04
First Community Credit Union of Houston (Houston) (#2)	See Newsletter No. 09-04
First Community Credit Union of Houston (Houston) (#3)	See Newsletter No. 09-04
Star of Texas Credit Union (Austin)	See Newsletter No. 09-04
Lone Star Credit Union (Dallas)	See Newsletter No. 09-04

Articles of Incorporation Change(s) Approved:

Aldine Teachers Credit Union (Houston) See Newsletter No. 09-04

Articles of Incorporation Change(s) Withdrawn:

Telco Plus Credit Union (Longview) See Newsletter No. 09-04

Merger(s) or Consolidation(s) Changes Approved:

Corsicana Municipal Employees CU with Navarro CU See Newsletter No. 04-04
TEX-US Credit Union with MobilOil FCU See Newsletter No. 08-04

Applications Received

The following applications were received and published in the October 29, 2004 issue of the Texas Register.

Field of Membership Expansion(s):

Harlingen Area Teachers Credit Union (Harlingen) -- To permit employees of Vicki Roy Home Health, Inc./Vicki Roy Home Health Service, LP who work in, are paid from or supervised from Harlingen, Texas, to be eligible for membership in the credit union.

Houston Highway Credit Union (Houston) (#1) -- To permit persons who live, work, attend school, or worship in and businesses located within 10 miles of the office of Houston Highway Credit Union located at 8120 Washington Avenue, Houston, Texas, to be eligible for membership in the credit union.

Applications Received (Continued):

Houston Highway Credit Union (Houston) (#2) -- To remove exclusionary language which currently protects the field of membership of certain occupational or association based credit unions in the Houston area and would allow all contractors and their employees working under contract for any business or organization, including subsidiaries and affiliates that are included within this credit union's field of membership, to be eligible for membership in the credit union.

Houston Highway Credit Union (Houston) (#3) -- To remove exclusionary language and would allow any employee of an agency or department of the State of Texas assigned to the Houston district or region of their agency or department, including the employees of the Texas Department of Public Safety, to be eligible for membership in the credit union.

MemberSource Credit Union (Houston) (#1) -- To remove exclusionary language which currently protects certain occupational or associational based credit unions and would allow all individuals who live or work within a ten (10) mile radius of the office of MemberSource Credit Union at 5444 Westheimer, Houston, Texas, to be eligible for membership in the credit union.

MemberSource Credit Union (Houston) (#2) -- To permit persons who live, work, worship, or attend school in and businesses in Fort Bend County, Texas, to be eligible for membership in the credit union.

MemberSource Credit Union (Houston) (#3) -- To permit persons who live, work, worship, or attend school in and businesses in Harris County, Texas, to be eligible for membership in the credit union.

MemberSource Credit Union (Houston) (#4) -- To permit persons who live, work, worship, or attend school in and businesses in Montgomery County, Texas, to be eligible for membership in the credit union.

Shared Resources Credit Union (Pasadena) -- To permit persons who live, work, attend school, or worship in and businesses located within a 10 mile radius of the office of Shared Resources Credit Union located at 2102 E. Pasadena Freeway in Pasadena, Texas, to be eligible for membership in the credit union.

First Central Credit Union (Waco) -- To permit persons who reside, work, worship, or attend school within the boundaries of Hill County and Bosque County, Texas, to be eligible for membership in the credit union.

Texas Dow Employees Credit Union (Lake Jackson) (#1) -- To permit employees and students of the Columbia-Brazoria Independent School District in West Columbia, Texas, to be eligible for membership in the credit union.

Texas Dow Employees Credit Union (Lake Jackson) (#2) -- To permit employees of Allied Home Mortgage Capital Corporation who work in Brazoria, Galveston, or Harris County, Texas, to be eligible for membership in the credit union.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Credit unions that wish to comment on any application must also complete a Notice of Protest form. The form may be obtained by contacting the Department at (512) 837-9236 or downloading the form at <http://www.tcred.state.tx.us/applications.html>. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.

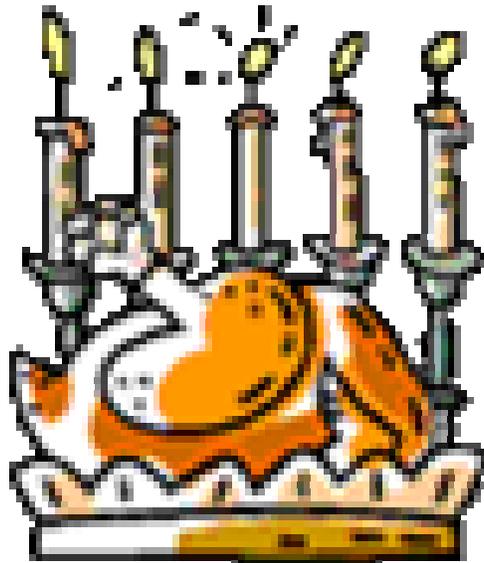
Applications Received (Continued):

Articles of Incorporation Change(s):

Associated Credit Union of Texas (Texas City) -- To amend it Articles of Incorporation relating to primary place of business.

Kraft America Credit Union (Garland) -- To amend it Articles of Incorporation relating to primary place of business.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.



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